

NEW HAMPSHIRE STATE LIQUOR COMMISSION

MINUTES OF MEETING – FEBRUARY 2, 2005

PRESENT: Chairman Anthony Maiola and Commissioner Patricia Russell; Craig Bulkley, Bureau Chief of Administrative Services; Howard Roundy, Director of Information Technology; John Bunnell, Administrator of Sales and Marketing; Peter Engel, Director of Stores; Evie Taft, Human Resources Administrator; Aidan Moore, Chief of Enforcement; Rick Gerrish, Spirits Marketing Specialist; Nicole Brassard, Wine Marketing Specialist. **Guests:** Doreen Wittenberg, Business Supervisor; Al Picconi, United Beverages, Inc. and Mike Goclowski, Law Warehouses.

EXCUSED: John Byrne, Chairman; George Tsiopras, Chief Financial Officer

FINANCIAL & ADMINISTRATIVE REPORTS

1. Financial Reports

A. Weekly, Y-T-D Sales Reports:

The SA1000 report for the week ending January 30, 2005 shows retail sales were down 3.8%, on- premise sales were down 22%, off-premise sales were up .05%, and total aggregate sales were down 5.9% . The traffic count was down by 7,149 and the average sale was up \$1.34.

The W-1 Total Weekly Sales report states we are down 5.9% this week from this time last year. Year to date we are up 5.4% Wine sales are down 5.4%. Year to date we are up 6.6%. Sales of spirits were down 3.4% and year to date we are up 4.96%.

There was nothing of significance to report regarding depletions or gift card sales over the past week.

B. Budget/Administrative Reports:

Craig reported last week the Governor and Council met and all three contracts were approved.

On February 1, 2005 Craig presented the commissioners with all but one of the LSR's that have been converted into a bill. The commissioners will receive the last LSR after it has been converted into text which should occur shortly.

The current W-6 Expense Budget Activity Variance Report shows the year to be at around 55.3% of the year complete. However, we are tracking class 50 and overtime monies at this time. George will be preparing a report shortly stating where the concerns lie.

2. IT Report:

We received another virus that occurred one month and one hour of our last virus. There are a dozen machines that have been affected. The last three machines the IT staff is working diligently to find out where the problems lie.

This virus seems to be internet based. When it occurs, it floods the network and we are unable to do credit card processing.

If staff members receive an email and it is unknown where it originated from, delete it from your email and then delete it from your delete file.

Craig stated we need to be more vigilant of our uses of email and internet and that we should not download information from the internet.

3. Human Resources Report:

Evie Taft has drafted a Nepotism Policy. Some revisions will be made to this policy and it will be tabled until next week to further review the policy and the most recent changes made to them.

Evie received a call from the Division of Personnel, Training and Education and they have offered to give some training to our Managers free of charge. At this time, five managers will attend a training in march and another five in June. Depending on how well this training is received by the Supervisors, if the feedback is positive the Managers will then be scheduled to attend at a later date.

II. **MARKETING AND SALES REPORTS**

1. Store Operations:

a. President's Day – Extended Hours

It was moved by Chairman Maiola, seconded by Commissioner Russell, that the Commission approve the requested Holiday Hours for President's Day on Monday, February 21, 2005 as recommended by Peter Engel, Director of Stores and concurred by John Bunnell, Administrator of Marketing and Sales. The motion was unanimously adopted.

2. Purchasing Report: No report given.

3. Merchandising Report:

A. **SPIRITS:**

1) Addition to St. Patrick's Day Sale

It was moved by Chairman Maiola, seconded by Commissioner Russell, that the Commission approves the addition of Code #2120, Canadian Club, 1.75L size to the St. Patrick's Day Sale, scheduled for Thursday, March 10 through Sunday, March 20, 2005, as recommended by Rick Gerrish, Spirits Marketing Specialist and concurred by John Bunnell, Administrator of Marketing and Sales. The motion was unanimously adopted.

2) Test Market Results (Codes #117, 3597, #4540 and #6126):

It was moved by Chairman Maiola, seconded by Commissioner Russell, that the Commission grant specialty status for the following two (2) spirits items which earned in excess of their respective gross profits required for specialty item consideration at the conclusion of a six-month test market period, as recommended by Rick Gerrish, Spirits Marketing Specialist and concurred by John Bunnell, Administrator of Marketing and Sales: Code #117, Vermont Gold Vodka, 750 ML and Code#6126 Songa Di Sorrento Cream Lemoncello, 750 ML. The Commission also voted to delist Codes #4540, Cles Des Ducs Armagnac, 750 ML and Code #3597, Svenka Clementine Vodka, 750 ML as these products failed to achieve both the gross profits required for full distribution and specialty item consideration at the conclusion of a six-month test market period, as recommended by Rick Gerrish, Spirit Marketing Specialist and concurred by John Bunnell, Administrator of Marketing and Sales. The motion was unanimously adopted.

3) Swap Request

It was moved by Chairman Maiola, seconded by Commissioner Russell, that the Commission grant a swap request from the 750 ML sizes of Seagrams Vodka and Raspberry Vodka to the 1.75L sizes of these products as recommended by Rick Gerrish, Spirit Marketing Specialist and concurred by John Bunnell, Administrator of Marketing and Sales. The motion was unanimously adopted.

B. WINES:

1) March Special Offers

a. 1 item – Perfecta Wine Company

It was moved by Chairman Maiola, seconded by Commissioner Russell, that the Commission approve a special offer from Perfecta Wine Company, based upon a special purchase allowance for one (1) wine item, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing and Sales. The motion was unanimously adopted.

b. 3 items – Horizon Beverages

It was moved by Chairman Maiola, seconded by Commissioner Russell, that the Commission approve a special offer from Horizon Beverages, based upon a special purchase allowance for three (3) wine items, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing and Sales. The motion was unanimously adopted.

2) Blackstone 25% Off Sale – April and May, 2005

It was moved by Chairman Maiola, seconded by Commissioner Russell, that the Commission approve an offer from United Beverages, Inc. to conduct a “25% off sale on seven (7) Blackstone products during the months of April and May, 2005, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing and Sales. The motion was unanimously adopted.

3) Beaujolais Nouveau 2004 Markdown

It was moved by Chairman Maiola, seconded by Commissioner Russell, that the Commission approve an a markdown on three (3) Beaujolais Nouveau 2004 products that did not sell during the 2004 holiday season, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing and Sales. The motion was unanimously adopted.

4) In-Store Tasting – (Codes #39895, #39902, #39900 and #39901)

It was moved by Chairman Maiola, seconded by Commissioner Russell, that the Commission approve an in-store tasting from Global Wines for four (4) wine codes as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing and Sales. The motion was unanimously adopted.

5) Primary Source Submissions (3 items – primary source; 2 items - exclusive agent; 8 items – imported):

It was moved by Chairman Maiola, seconded by Commissioner Russell, that the Commission approve the listing of three (3) wine codes which are primary source, two (2) wines codes which are not from primary source, but are offered by the exclusive marketing agent and eight (8) wine codes which are not from primary source but are imported as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing and Sales. The motion was unanimously adopted.

III. ENFORCEMENT & LICENSING REPORT - None

IV. CHAIRMAN’S REPORT & LATE ITEMS

1. Bailment Requests:

It was moved by Chairman Maiola, seconded by Commissioner Russell, that the Commission approve all previously reviewed requests for bailment releases/transfers Dated January 31 – February 4, 2005. The motion was unanimously adopted.

2. Coupon Approvals: None.

3. Late Items/Other: None.

Anthony C. Maiola, Chairman

Patricia T. Russell, Commissioner